

Appropriations Overview

The budget cuts domestic non-homeland security funding for 2007, and then cuts it further in following years. Appropriations for defense, international affairs, and homeland security rise.

Budget Increases Non-Emergency Appropriations Overall But Slashes Domestic Funding —

The President's budget provides \$870.7 billion in regular appropriations for 2007, which is \$2.1 billion (0.2 percent) above the amount needed to maintain purchasing power at the 2006 level and \$27.3 billion above the \$843.3 billion in non-emergency funding provided for 2006. However, as shown in the table below, despite the increase in total appropriations, the President's budget cuts funding for regular domestic services by \$16.8 billion below the amount needed to maintain purchasing power, and by \$5.3 billion below the 2006 enacted level. In contrast, the budget increases appropriations for the other categories of non-emergency discretionary funding:

- defense funding increases to \$459.7 billion, which is \$15.1 billion above the amount needed to maintain purchasing power at the 2006 level;
- international affairs funding rises to \$35.1 billion, which is \$3.7 billion above the 2006 enacted level; and
- domestic homeland security funding increases by \$1.7 billion above the 2006 enacted level, to \$29.3 billion.

Total Funding for Appropriated Programs

(Budget Authority in Billions of Dollars)

	2006	2007 Baseline	2007 Request	Request v. Baseline
<u>Non-Emergency Amounts:</u>				
Domestic Non-Homeland Security	351.8	363.4	346.5	-16.8
National Defense	432.4	444.6	459.7	+15.1
International Affairs	31.4	32.1	35.1	+3.0
Homeland Security	27.6	28.5	29.3	+0.8
Total Non-Emergency Appropriations	843.3	868.6	870.7	+2.1
<u>Emergency Amounts:</u>				
Iraq/Afghanistan Supplemental Funds*	120.0	n.a.	50.0	n.a.
Hurricane Katrina-Related Funds**	22.6	n.a.	0.0	n.a.
Avian Flu Emergency Funds	3.8	n.a.	2.3	n.a.
Total including emergencies	989.8	n.a.	923.0	n.a.

*Congress has appropriated \$50 billion for the war for 2006. The President's budget includes an additional \$70 billion for 2006, and \$50 billion as a down payment for 2007.

**Congress has provided \$4.6 billion for hurricane relief for 2006, and the President's budget includes \$18.0 billion more.

National Defense is Function 050, which includes DOD and nuclear weapons-related activities of the Department of Energy. Homeland Security is non-defense, non-international discretionary funding.

More Emergency Funding for 2006 and 2007 — The President’s budget provides an additional \$88.0 billion in supplemental emergency funding for 2006; it also provides \$52.3 billion in emergency funding for 2007, comprised of \$50 billion as a down payment on 2007 war costs and \$2.3 billion to take steps to prevent an avian flu pandemic. For 2006, Congress has already provided \$58.4 billion in emergency supplemental funding: \$50 billion for Iraq and Afghanistan, \$4.6 billion for Hurricane Katrina-related expenses, and \$3.8 billion for avian flu. The additional \$88.0 billion in the President’s budget for 2006 includes \$70 billion for the war and \$18 billion for hurricane relief.

Cuts 2007 Funding for Most Domestic Agencies — The President’s budget message highlights that this budget cuts non-security funding below the 2006 level. The cut in domestic funding that is not for homeland security affects many key agencies, including the Departments of Education, Transportation, Justice, Housing and Urban Development, and Health and Human Services. Many of the cuts will affect the most vulnerable in our society – children and the elderly – and jeopardize public health, safety, and environmental protection. The table below lists some of the domestic agencies that face cuts next year. See *Damaging Cuts* for specific details about some of the programs cut by the President’s budget.

President’s 2007 Budget Cuts Funding for 11 Major Agencies

(Discretionary Budget Authority in Billions of Dollars)

	2006 Enacted	2007 Request	Dollar Cut	Percent Cut
Agriculture	21.1	19.7	-1.4	-6.5
Commerce	6.4	6.1	-0.2	-3.7
Education	56.5	54.4	-2.1	-3.8
Health and Human Services	69.2	67.6	-1.6	-2.3
Housing and Urban	34.3	33.6	-0.6	-1.8
Interior	10.8	10.1	-0.6	-5.9
Justice	21.0	19.5	-1.5	-7.2
Labor	11.3	10.9	-0.4	-3.9
Transportation	14.6	13.2	-1.4	-9.4
Corps of Engineers	5.3	4.7	-0.6	-11.2
Environmental Protection	7.6	7.3	-0.3	-4.0

Data from Table S-3, page 315 of the FY 2007 Budget of the U.S. Government.

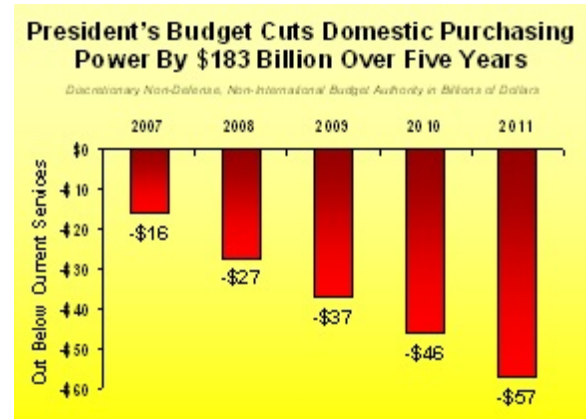
Budget Eliminates or Significantly Cuts 141 Discretionary Programs — The President’s budget eliminates 91 discretionary programs, saving \$7.3 billion compared with 2006 appropriations, and cuts \$7.4 billion in funding for 50 other programs. The 91 eliminated programs include 42 education programs worth \$4.1 billion and 8 programs within the Department of Health and Human Services worth \$866 million. (See the complete list in the

attached appendix.) Congress has repeatedly rejected some of these proposed terminations, calling into question the \$14.8 billion in 2007 savings from this year's cuts. Some of the major eliminated programs are listed below.

Some of the Programs Eliminated in the 2007 Budget			
(Dollars in Millions, 2006 Enacted Level ^a)			
Program		'06 \$	
Law Enforcement:			
State Criminal Alien Assistance		400	
Justice Assistance grants		327	
Law Enforcement Terrorism Prevention		385	
Byrne Discretionary grants		189	
COPS Law Enforcement Technology grants		128	
Community Services and Development			
Community Services Block Grant		630	
Economic Development Initiative grants		298	
Community Economic Development		27	
Rural Housing & Economic Development		17	
Education:			
42 Department of Education programs, (see complete list in <i>Function 500</i>)		4130 ^b	
Health Care:			
CDC Preventive Health Block Grant		99	
Urban Indian Health program		33	
Emergency Medical Services for children		20	
Universal Newborn Screening		10	
Program		'06 \$	
Traumatic Brain Injury		9	
Energy:			
State energy activities and gateway deployment in the Weatherization program		26	
Geothermal Technology		23	
Environmental Protection:			
Watershed Rehabilitation		65	
Land and Water Conservation Fund stateside program		28	
Rural Fire Assistance		10	
Income Assistance:			
HOPE VI Rehabilitation of Distressed Public Housing		198 ^c	
Commodity Supplemental Food Program		107	
High Energy Costs grants		26	
Other:			
Advanced Technology Program		79	
Small Community Air Service		10	
^a These 2006 levels match those in the budget's list of terminated programs, but may not reflect the total funding that was available to a program for 2006. ^b Includes \$664 million in 2007 from recall of prior Perkins loan capital contributions. ^c Rescinds \$99 million in 2006 funding, for "savings" of \$198 for 2007.			

Funding for 2008 Through 2011

Domestic Funding Cut Even More Deeply Over Time — As deep as domestic funding cuts are in 2007, they only get more painful over the next four years covered by the President's budget. Even some of the programs that get increases for 2007 – such as veterans' health care, mine safety programs, and the Superfund program – are cut in the following years. The official budget materials claim that there is no policy attached to the funding levels beyond 2007, but clearly a budget that in 2011 provides \$56.8 billion (13.0 percent) less than needed to maintain purchasing power for domestic services will deeply cut many programs. Some of the services cut over time, according to an OMB computer printout, include:



- **Education** — The budget slightly increases funding for Education for the Disadvantaged programs for 2007, but then imposes a \$676 million cut for 2011. Assistance for higher education – which includes funding for Pell Grants – is cut for 2007 and then cut by another \$594 million for 2011.
- **WIC** — The budget includes \$5.2 billion for 2007 for Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), but funding declines to \$5.0 billion by 2011 – a 13.3 percent cut from the amount that would be necessary to maintain purchasing power at the current level.
- **Mine Safety and Health Administration (MSHA)** — For 2007, the budget provides \$288 million for MSHA, an \$11 million increase above the 2006 enacted level. However, in later years, MSHA funding is cut below the 2006 level, to \$276 billion for 2011.
- **Veterans' Health Care** — For 2007, the budget increases funding for veterans' health care but then cuts it over time, so that by 2011, it provides \$4.7 billion less than needed to maintain purchasing power at the 2006 level; over the five-year period, the budget provides \$10.1 billion less than needed to maintain purchasing power.

Domestic Funding Cut Deeply

(Discretionary Non-Defense, Non-International Budget Authority in Billions of Dollars)

	2006	2007	2008	2009	2010	2011	2007-11
President's budget	379.6	375.8	376.1	379.5	379.5	380.4	1891.2
OMB baseline level	382.0	391.8	403.3	416.5	425.6	437.1	2074.3
President below baseline	n.a.	-16.0	-27.2	-37.0	-46.1	-56.8	-183.1
Percent below baseline	n.a.	-4.1%	-6.7%	-8.9%	-10.8%	-13.0%	n.a.

Because the budget explicitly shows homeland security funding growing steadily each year, the cut in the remaining domestic programs will be even steeper than the totals shown above.

Imposes Defense and Non-Defense Discretionary Funding Caps — Like last year's budget, the President's 2007 budget limits total discretionary funding for the next five years and sets defense and non-defense caps for 2006 through 2008 at the levels in this budget. Each year, those levels cut non-defense funding further below the amount needed to maintain current purchasing power while defense funding continues to rise at rates higher than inflation.

